



U.S. Immigration
and Customs
Enforcement

News Release

April 29, 2005

EXECUTIVES FROM U.S. AND IRANIAN FORKLIFT TRUCK COMPANIES INDICTED FOR VIOLATING U.S. EMBARGO ON IRAN

WASHINGTON, D.C. – Kenneth L. Wainstein, United States Attorney for the District of Columbia, Wendy L. Wysong, Department of Commerce Acting Assistant Secretary for Export Enforcement, and Allan J. Doody, Special Agent-in-Charge of U.S. Immigration and Customs Enforcement (ICE) in Washington, D.C., announced that a federal grand jury in the District of Columbia returned a six-count indictment late yesterday against Robert E. Quinn, 54, and Michael H. Holland, 49, both of Lexington, Kentucky, and Mohammed A. Sharbaf, of Iran, charging them with violating the U.S. embargo on trade with Iran.

Quinn and Holland are sales executives employed by Clark Material Handling Corporation (CMHC), a Kentucky-based forklift truck manufacturer. Sharbaf is President and Managing Director of Sepahan Lifter, a forklift truck manufacturer in Esfahan, Iran.

Quinn was initially indicted on January 6, 2005, following his arrest on December 28, 2005, after returning to the United States from South Korea, where he had been assigned to work for CMHC's current parent company, Young An Hat. The indictment returned late yesterday is a superseding indictment as to Quinn, adding Holland and Sharbaf as codefendants. Quinn and Holland will be arraigned on the charges on Monday, May 2, 2005, before U.S. District Judge Royce C. Lamberth.

United States Attorney Wainstein stated, "We continue to pursue those who circumvent our export laws by shipping goods to embargoed countries."

"Today's case illustrates the Commerce Department's commitment to bring to justice those who would trade with Iran or other sanctioned countries in violation of U.S. law and regulations," said Wendy L. Wysong, Acting Assistant Secretary of Commerce for Export Enforcement.

"The export and transshipment of goods without license and in violation of the U.S. embargo on Iran undermines the national security, foreign policy, and economy of the United States," said Special Agent-in-Charge Doody, who leads ICE's Washington D.C. investigations office. "U.S. Immigration and Customs Enforcement is committed to ensuring that investigations of suspected embargo violations are aggressively pursued and presented for prosecution."

Under the International Emergency Economic Powers Act, 50 USC Section 1701-1706, and the Iranian Transaction Regulations, 50 CFR Part 560, all exports to Iran of U.S. –origin commodities require an export license from the Office of Foreign Assets Control (OFAC) of the Department of Treasury. It is also unlawful to ship U.S.-origin products to a third country and then re-export them to Iran without the necessary authorization from OFAC. These prohibitions have been in place since 1995.

According to the indictment, Sepahan obtained forklift designs and components from CMHC’s European affiliate until the affiliate went bankrupt in early 2003. After that, in order to obtain Clark components, Sharbaf directed Khalid Mahmood, an associate operating an international trading business in Dubai, United Arab Emirates (UAE), to contact Quinn and seek price quotations for CMHC parts for export to Iran.

According to the indictment, Quinn and Sharbaf met in Germany in March 2003, and for months thereafter, Sharbaf and his employees and Mahmood, would request price quotations and place orders for CMHC products, either through Quinn or Holland. The items would then be shipped to Iran through Mahmood’s company in Dubai, and would be paid for by Sharbaf through Mahmood.

Khalid Mahmood was arrested and indicted when he traveled to the United States in August 2004 in connection with other, unrelated activities violating the Iranian embargo. He pled guilty to that charge and has cooperated in the investigation of the defendants indicted today.

The indictment against Quinn, Holland, and Sharbaf alleged that they engaged in a conspiracy to violate the Iran embargo. The indictment further alleges that, on five separate occasions during 2003, Quinn and Sharbaf – joined on two occasions by Holland – exported and attempted to export various CMHC components from the United States to Iran through the UAE without first having acquired a license from OFAC for any of these shipments.

In announcing today’s indictment, U.S. Attorney Wainstein, Acting Assistant Secretary Wysong and Special Agent-in-Charge Doody praised the outstanding investigative work of OEE Special Agent Scott Douglas and ICE Special Agents Susan LaVoie and Richard Reinhold. They also expressed appreciation to Assistant United States Attorneys Jay Bratt and Laura Ingersoll, who are prosecuting the case.

ICE

U.S. Immigration and Customs Enforcement is the largest investigative arm of the Department of Homeland Security.